

Message Text

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ACTION IO-11

INFO OCT-01 ARA-10 ISO-00 EB-07 L-03 TRSE-00 COME-00

CIEP-02 AID-05 STR-04 OMB-01 SS-15 NSC-05 OIC-02

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TO SECSTATE WASHDC IMMEDIATE 9277

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UNCLAS SECTION 1 OF 2 LIMA 2378

FOR EB - BOEKER; L- FELDMAN; TREAS - LANGE; COMMERCE - ARRILL;
CIEP - GRANFIELD

EO 11652: NA

TAGS: OCON, EFIN, ECOSOC, PE

SUBJ: UN COMMISSION ON TNC - PROGRAM OF WORK

REF: LIMA 2299

FOLLOWING IS TEXT OF AGREED PORTIONS OF PROGRAM OF WORK.
PARAGRAPHS NOT INCLUDED IN TEXT OR IN BRACKETS STILL UNDER
NEGOTIATION. THE SCHEDULE IS TO COMPLETE NEGOTIATIONS
TONIGHT (MARCH 11) AND TO APPROVE FINAL DOCUMENT MARCH 12:

QUOTE

PROGRAMME OF WORK ON THE FULL RANGE OF ISSUES
RELATING TO TRANSNATIONAL CORPORATIONS, SUBMITTED
BY THE GROUP OF 77

1. IN PARAGRAPH 7 OF ECONOMIC AND SOCIAL COUNCIL RESOLUTION 1913
(LVII) OF 5 DECEMBER 1974, THE COMMISSION ON TRANSNATIONAL CORP-
ORATIONS WAS REQUESTED TO SUBMIT A DETAILED PROGRAMME OF WORK
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CONCERNING THE WHOLE RANGE OF ISSUES RELATED TO TRANSNATIONAL

CORPORATIONS TO THE COUNCIL AT ITS SIXTIETH SESSION. THE COMMISSION, TAKING FULLY INTO ACCOUNT GENERAL ASSEMBLY RESOLUTIONS 3201 (S-VI) AND 3202 (S-VI) OF 1 MAY 1974 ON THE DECLARATION AND THE PROGRAMME OF ACTION FOR THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER, IN PARTICULAR THE RELEVANT PROVISIONS ON TRANSNATIONAL CORPORATIONS, AND RESOLUTION 3281 (XXIX) OF 12 DECEMBER 1974 ON THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES, AND GIVING DUE REGARD TO THE GUIDELINES CONTAINED IN THOSE RESOLUTIONS, HAS NOW FORMULATED A DETAILED PROGRAMME OF WORK AND SUBMITS IT HERewith TO THE ECONOMIC AND SOCIAL COUNCIL FOR ITS CONSIDERATION AND APPROVAL AT ITS SIXTY-FIRST SESSION.

2. THE COMMISSION EXPRESSED ITS SATISFACTION THAT THE INFORMATION AND RESEARCH CENTRE ON TRANSNATIONAL CORPORATIONS HAS NOW BEEN ESTABLISHED AND STARTED ITS WORK. IN ORDER TO ENABLE THE CENTRE TO IMPLEMENT ITS PROGRAMME OF WORK EXPEDITIOUSLY, AND IN ACCORDANCE WITH THE NEEDS OF THE COMMISSION, THE COMMISSION EXPRESSED THE DESIRE THAT THE MANPOWER AND FINANCIAL RESOURCES OF THE CENTRE BE ADEQUATE TO ITS TASKS.

6. IN PURSUANCE OF THE GUIDELINES CONVEYED BY THE ECONOMIC AND SOCIAL COUNCIL IN PARAGRAPH 7 OF ITS RESOLUTION 1913 (LVII), IN ACCORDANCE WITH WHICH THE DETAILED PROGRAMME OF WORK SHOULD INCLUDE A STATEMENT OF ITS PROPOSED PRIORITIES, THE COMMISSION HAS SELECTED SPECIFIC ACTIVITIES FOR PRIORITY ATTENTION.

8. THE COMMISSION SHOULD ESTABLISH AN INTERGOVERNMENTAL WORKING GROUP OF THE WHOLE ON THE CODE OF CONDUCT. THE INTERGOVERNMENTAL WORKING GROUP WILL MEET INTERSESSIONALLY WITH THE PARTICIPATION OF AT LEAST ANY FOUR MEMBERS OF THE COMMISSION FROM EACH REGIONAL GROUP.

9. THE SECRETARY-GENERAL WOULD INVITE ALL STATES¹ TO PRESENT AS QUICKLY AS POSSIBLE THEIR PROPOSALS OR VIEWS FOR THE CODE OF CONDUCT TO THE INTERGOVERNMENTAL WORKING GROUP, THROUGH THE INFORMATION AND RESEARCH CENTRE ON TRANSNATIONAL CORPORATIONS. A DEADLINE SHOULD BE ESTABLISHED BY THE ECONOMIC AND SOCIAL COUNCIL AT ITS

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¹ IT IS THE UNDERSTANDING OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS THAT THE SECRETARY-GENERAL, IN DISCHARGING HIS FUNCTIONS UNDER PARAGRAPH 9, WILL FOLLOW THE PRACTICE OF THE GENERAL ASSEMBLY IN IMPLEMENTING AN "ALL STATES" CLAUSE AND, IN ALL CASES WHEN IT IS ADVISABLE, THE SECRETARY-GENERAL WILL REQUEST THE POINION OF THE GENERAL ASSEMBLY BEFORE TAKING APPROPRIATE DECISIONS. ALL OTHER REFERENCE TO "ALL STATES" SHOULD BE INTERPRETED LIKEWISE.

10. THE ECONOMIC AND SOCIAL COUNCIL SHOULD REQUEST THE REGIONAL ECONOMIC COMMISSIONS AND THE INFORMATION AND RESEARCH CENTRE ON TRANSNATIONAL CORPORATIONS TO ASSIST, UPON REQUEST, REGIONAL MEETINGS OF DEVELOPING COUNTRIES IN A MANNER THEY CONSIDER APPROPRIATE, IN ORDER TO COMPLETE THE IDENTIFICATION OF AREAS OF CONCERN AND PREPARE PROPOSALS FOR THE CODE OF CONDUCT.

11. THE INTERGOVERNMENTAL WORKING GROUP SHOULD MEET IMMEDIATELY AFTER THE DEADLINE FOR THE SUBMISSION OF PROPOSALS AND WOULD PREPARE AN ANNOTATED OUTLINE OF THE CODE OF CONDUCT TO BE SUBMITTED TO THE COMMISSION ON TRANSNATIONAL CORPORATIONS AT ITS THIRD SESSION.

12. AT ITS THIRD SESSION, THE COMMISSION SHOULD REVIEW THE REPORT OF THE INTERGOVERNMENTAL WORKING GROUP, INCLUDING THE ANNOTATED OUTLINE OF THE CODE OF CONDUCT, AND WOULD GIVE GUIDANCE TO THE WORKING GROUP FOR ITS FUTURE WORK WITH A VIEW TO FINALIZING A DRAFT CODE OF CONDUCT TO BE CONSIDERED AT ITS FOURTH SESSION.

14. THE INFORMATION AND RESEARCH CENTRE ON TRANSNATIONAL CORPORATIONS WOULD GIVE ITS FULL SUPPORT AND ASSISTANCE TO THE INTERGOVERNMENTAL WORKING GROUP IN ITS WORK.
IN ORDER TO EXPEDITE AND FACILITATE THE WORK OF THE INTERGOVERNMENTAL WORKING GROUP, THE INFORMATION AND RESEARCH CENTRE ON TRANSNATIONAL CORPORATIONS SHOULD UNDERTAKE THE FOLLOWING WORK:
(I) INCORPORATE INTO A SINGLE DOCUMENT PROPOSALS OR VIEWS RECEIVED FROM GOVERNMENTS IN ACCORDANCE WITH PARA 9 ABOVE;

(II) PREPARE AN ACTION-ORIENTED PAPER ON ALL ISSUES INVOLVED, INCLUDING CORRUPT PRACTICES OF TRANSNATIONAL CORPORATIONS IN THE LIGHT OF THE DISCUSSIONS OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS AND MAKE IT AVAILABLE TO ALL STATES BY JULY 1976;

(III) PREPARE A SEPARATE PAPER CONTAINING THE VIEWS OF THE NON-UNCLASSIFIED

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GOVERNMENT INTERESTS, PARTICULARLY TRADE UNIONS, BUSINESS GROUPS, AND CONSUMER GROUPS.

BRACKET (IV) COLLECT, ANALYSE AND MAKE AVAILABLE MATERIAL RELEVANT TO THE FORMULATION AND BRACKET OF A CODE OF CONDUCT.

15. THE INTERGOVERNMENTAL WORKING GROUP SHOULD TAKE INTO ACCOUNT THE RELATED WORK BEING UNDERTAKEN BY UNITED NATIONS BODIES, IN PARTICULAR THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, REGARDING TRANSFER OF TECHNOLOGY, RESTRICTIVE BUSINESS PRACTICES, ETC., AND THE INTERNATIONAL LABOUR ORGANISATION REGARDING EMPLOYMENT QUESTIONS, IN CARRYING OUT ITS WORK. IT SHOULD ALSO BEAR IN MIND THE RELATED WORK UNDERTAKEN BY THE NON-ALIGNED COUNTRIES, OAS, OECD, EEC AND OTHER FORA.

17. THE SURVEYS OF INFORMATION ON TRANSNATIONAL CORPORATIONS, INCLUDING RELEVANT NATIONAL, REGIONAL AND INTERNATIONAL REGULATIONS, SHOULD BE CONTINUOUSLY UPDATED AND HARMONIZED BY THE CENTRE.

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INFO OCT-01 ARA-10 ISO-00 EB-07 L-03 TRSE-00 COME-00

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 9278

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18. A DIRECTORY ON TYPES AND SOURCES OF INFORMATION SHOULD BE ISSUED PERIODICALLY BY THE CENTRE.

19. (DELETED).

20. FOR THESE PURPOSES, THE CENTRE WOULD REQUIRE AT THE EARLIEST COMPUTER AND OTHER FACILITIES. THE COMMISSION THEREFORE RECOMMENDS THE CENTRE EXAMINE THE POSSIBILITY OF UTILIZING THE EXISTING COMPUTER FACILITIES IN THE UNITED NATIONS SYSTEM AND SUBMIT THE FINANCIAL IMPLICATIONS OF SUCH PARTICIPATION TO THE GENERAL ASSEMBLY THROUGH THE ECONOMIC AND SOCIAL COUNCIL FOR APPROVAL.

22. IN THE INITIAL PERIOD OF ITS OPERATION, THE CENTRE SHOULD CONCENTRATE ITS EFFORTS IN TWO DIRECTIONS:

(A) DEVELOPMENT OF A CLASSIFICATION SYSTEM OF INFORMATION RELEVANT TO CONCERNS OF GOVERNMENTS IN PARTICULAR, BUT NOT LIMITED

TO, THOSE OF THE DEVELOPING COUNTRIES;

23. THE INFORMATION SHOULD BE OBTAINED IN THE FIRST INSTANCE
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FROM RELEVANT BODIES OF THE UNITED NATIONS SYSTEM WHEREVER
AVAILABLE. WHENEVER THE UNITED NATIONS SYSTEM AS SUCH IS NOT
ITSELF COLLECTING ANY OF THE INFORMATION, THE CENTRE SHOULD
COLLECT IT DIRECTLY FROM THE APPROPRIATE SOURCES.

(C) RESEARCH ON THE POLITICAL, LEGAL, ECONOMIC AND SOCIAL
EFFECTS OF THE OPERATIONS AND PRACTICES OF TRANSNATIONAL CORPORATIONS

25. IN VIEW OF THE INTERRELATIONSHIP OF THE POLITICAL, ECONOMIC
AND SOCIAL AND LEGAL EFFECTS OF THE OPERATIONS AND PRACTICES OF
TRANSNATIONAL CORPORATIONS, THE COMMISSION DECIDES THAT AN IN-
TEGRATED STUDY OF THESE EFFECTS SHOULD BE UNDERTAKEN BY THE CENTRE ON
A PRIORITY BASIS AS A SEQUEL TO THE STUDY ON MULTINATIONAL
CORPORATIONS PUBLISHED IN 1973 (ST/ECA/190). IN THE PREPARATION
OF THIS STUDY, THE CENTRE SHOULD DRAW UPON SPECIAL CASE STUDIES
ON SPECIFIC CORPORATIONS, IN INDUSTRIES, COUNTRIES AND REGIONS,
CARRIED OUT BY OTHER UNITS WITHIN THE UNITED NATIONS SYSTEM.

26. THE COMMISSION, IN CONFORMITY WITH OPERATIVE PARA 6 OF
GENERAL ASSEMBLY RESOLUTION 3514 (XXX) OF 15 DECEMBER 1975
DECIDES THAT THE CENTRE SHOULD UNDERTAKE STUDIES ON CORRUPT
PRACTICES OF TRANSNATIONAL CORPORATIONS,
WITH A VIEW TO ASSISTING THE COMMISSION IN MAKING RECOMMENDATIONS
ON WAYS AND MEANS WHEREBY SUCH CORRUPT PRACTICES CAN BE EFFECTIVELY
PREVENTED.

27. THE CENTRE SHOULD CARRY ON A CONTINUING REVIEW OF EXISTING
AND ONGOING RESEARCH ON THE ACTIVITIES OF TRANSNATIONAL CORPORA-
TIONS, INCLUDING NATIONAL, REGIONAL AND INTERNATIONAL REGULATIONS.
THE BIBLIOGRAPHY (E/C.10/12 AND ADD.1) PREPARED BY THE CENTRE
SHOULD BE ANNOTATED.

28. THE CENTRE SHOULD CARRY OUT AND PROMOTE IN-DEPTH STUDIES ON
THE FOLLOWING SPECIFIC SUBJECTS WITHIN THE BROAD RAMIFICATIONS:

(I) STUDY ON THE IMPACT OF ACTIVITIES OF TRANSNATIONAL CORPORA-
TIONS ON THE BALANCE OF PAYMENTS OF DEVELOPING COUNTRIES AND OTHERS;

(II) WORK ON SERVICE SECTOR INCLUDING BANKING, INSURANCE,
SHIPPING AND TOURISM;

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(III) CASE STUDIES OF EXTRACTIVE, FOOD (BEVERAGES) AND PHARMACEUTICAL INDUSTRIES;

(IV) OBSTACLES TO STRENGTHENING THE NEGOTIATING CAPACITY OF GOVERNMENTS IN THEIR RELATIONS WITH TRANSNATIONAL CORPORATIONS;

(V) LESSONS TO BE OBTAINED FROM NATIONAL AND REGIONAL LEGISLATION, MECHANISMS AND ARRANGEMENTS THAT HAD PERMITTED THE STRENGTHENING OF THE NEGOTIATING CAPACITY OF GOVERNMENTS IN THEIR RELATIONS WITH TRANSNATIONAL CORPORATIONS;

(VI) A STUDY OF THE MEASURES ADOPTED BY HOST COUNTRIES TO STRENGTHEN THE COMPETITIVE POSITION OF NATIONAL ENTERPRISES VIS-A-VIS TRANSNATIONAL CORPORATIONS.

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IN UNDERTAKING AND PROMOTING OF THESE STUDIES, THE CENTRE SHOULD TAKE INTO ACCOUNT RELATED WORK UNDERTAKEN BY OTHER UNITED NATIONS BODIES, E.G., UNCTAD, UNIDO, ILO, SO AS TO ENSURE CO-ORDINATION AND AVOID UNNECESSARY DUPLICATION OF EFFORTS.

(D) TECHNICAL CO-OPERATION

29. THE COMMISSION ATTACHES CONSIDERABLE IMPORTANCE TO THE PROGRAMME OF TECHNICAL CO-OPERATION AND ENDORSES THE GENERAL APPROACH AS OUTLINED IN PARAGRAPHS 5 AND 21, AS WELL AS INFORMATION AND ADVISORY SERVICES AS OUTLINED IN PARAGRAPHS 23 TO 28 OF THE REPORT CONTAINED IN DOCUMENT E/C.10/13.

30. IN PARTICULAR THE CENTRE, IN CONFORMITY WITH PARAGRAPH 4 (C) OF ECONOMIC AND SOCIAL COUNCIL RESOLUTION 1913 (LVII) OF 10 DECEMBER 1974, SHOULD ORGANIZE AND CO-ORDINATE AT THE REQUEST OF GOVERNMENTS, TRAINING PROGRAMMES AND ADVISORY SERVICES TO STRENGTHEN THE NEGOTIATING CAPACITY OF GOVERNMENTS OF DEVELOPING COUNTRIES IN THEIR DEALINGS WITH TRANSNATIONAL CORPORATIONS. IT IS OF THE UTMOST IMPORTANCE THAT EXPERTS WITH KNOWLEDGE AND EXPERIENCE IN NEGOTIATING WITH TRANSNATIONAL CORPORATIONS, PARTICULARLY THOSE FROM DEVELOPING COUNTRIES, SHOULD BE RECRUITED FOR CONDUCTING TRAINING PROGRAMMES AND ADVISORY SERVICES.

(E) DEFINITION OF TRANSNATIONAL CORPORATIONS
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31. THE CENTRE, BEARING IN MIND THE RELATED DISCUSSIONS IN THE COMMISSION, SHOULD COLLECT AVAILABLE DEFINITIONS ON TRANSNATIONAL CORPORATIONS TO ENABLE THE COMMISSION AT THE APPROPRIATE TIME TO DEFINE MORE ACCURATELY THE AREAS CONCERNED BY MEASURES ENVISAGED

UNDER THE VARIOUS HEADINGS OF THE PRESENT PROGRAMME OF WORK.

32. WHILE SUCH WORK IS BEING CONDUCTED, THE CENTRE SHOULD
CONCENTRATE ON IDENTIFYING, ACCORDING TO VARIOUS CRITERIA,
COMMON CHARACTERISTICS OF TRANSNATIONAL CORPORATIONS WHICH PLAY
A SIGNIFICANT ROLE IN INTERNATIONALIZATION OF THE WORLD
ECONOMY, WITHOUT PREJUDICE TO SUCH DEFINITION AS MIGHT EVENTUALLY
BE PROPOSED. SUCH A STUDY SHOULD COVER AT LEAST FIVE REPRESENTATIVE
TRANSNATIONAL CORPORATIONS IN EACH SECTOR OF ECONOMIC ACTIVITY.
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